

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE  
LIVONIA & FORDOCHE, LOUISIANA**

**Annual Financial Report  
Year Ended December 31, 2005**

**A Component Unit of the  
Pointe Coupee Parish Police Jury**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-16-06

**FIRE PROTECTION DISTRICT NO 4 OF THE  
PARISH OF POINTE COUPEE  
LIVONIA & FORDOCHE, LOUISIANA**

**GOVERNING BOARD**

**Glen Ray Meche, Chairman  
Donald Chenevert  
Fred Gueho  
Drake LaCombe  
Charles Landry**

**Dale Bergeron, Fire Chief Livonia Station**

**Clevis Cormier, Fire Chief Fordoche Station**

**Meeting Date**

**Third Tuesday of Every Month**

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*George F. Delaune*

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(A Professional Corporation)

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OFFICERS ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

**Board of Commissioners  
Fire Protection District No. 4 of the  
Parish of Pointe Coupee  
Livonia & Fardoche, Louisiana**

I have audited the accompanying financial statements of the governmental activities and each major fund of the FIRE PROTECTION DISTRICT NO. 4 OF THE PARISH OF POINTE COUPEE, LOUISIANA, (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2005, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of management of the Fire Protection District No. 4 of th Parish of Pointe Coupee, Louisiana. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and with provisions of Louisiana Revised Statute 24:513 and the provisions of the Louisiana Governmental Audit Guide. Those standards and the Guide require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District as of December 31, 2005, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated June 29, 2006, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis on pages 2 through 4, budgetary comparison information on page 19, and schedule of taxable valuations on page 17, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

*George F. Delaune, CPA*

June 29, 2006

# **Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana**

**P. O. BOX 155  
LIVONIA & FORDOCHE, LOUISIANA 70760**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2005. Please read it in conjunction with the District's basic financial statements, which begin on page 5.

### **FINANCIAL HIGHLIGHTS**

- The District's net assets increased by \$286,246 from \$1,408,200 in 2004 to \$1,694,446 in 2005.
- Cash and investments increased by \$73,556 for the year ended December 31, 2005.
- The District received a capital outlay grant from FEMA in the amount of \$204,789.
- Since July 1, 2005, a quarter percent sales tax generated \$47,588 in revenues.

### **USING THIS ANNUAL REPORT**

This annual report consists of three parts – management's discussion and analysis, the basic financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The Government-wide Financial Statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The District's Government-wide Financial Statements distinguish functions that are intended to recover all or a significant portion of their costs through charges (business-type activities). The Government-wide Financial Statements can be found on pages 7 and 8 of this report.

## FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The District's net assets are mainly composed of capital assets (76.09%).

Net assets of the District increased by 20.33%. Net assets are restricted as to the purposes they can be used for or are invested in capital assets (land, buildings, vehicles, and equipment). Consequently, unrestricted net assets were \$328,534 and \$426,447 at the end of 2004 and 2005, respectively. These balances reflect the District's income from operations that far exceeds long-term investment in its fixed assets on an annual basis.

### NET ASSETS

	2005	2004	% Change
Current and other assets	\$ 450,504	\$ 343,883	31.01%
Capital assets	1,433,872	1,335,760	7.35%
<b>Total assets</b>	<b>1,884,376</b>	<b>1,679,643</b>	<b>12.19%</b>
Current and other liabilities	24,057	15,349	56.73%
Noncurrent liabilities	165,873	256,094	-35.23%
<b>Total liabilities</b>	<b>189,930</b>	<b>271,443</b>	<b>-30.03%</b>
Net assets -			
Invested in capital assets	1,267,999	1,079,666	17.44%
Unrestricted	426,447	328,534	29.80%
<b>Total net assets</b>	<b>\$ 1,694,446</b>	<b>\$ 1,408,200</b>	<b>20.33%</b>

The District's total revenues increased by 75.55% from \$341,631 in 2004 to \$599,719 in 2005 primarily due to a FEMA grant in the amount of \$204,789. Total expenses increased by 2.77% from \$305,038 in 2004 to \$313,473 in 2005.

### CHANGES IN NET ASSETS

	2005	2004	% Change
Revenues:			
Taxes	\$ 357,479	\$ 291,964	22.44%
Intergovernmental revenues	233,858	36,215	545.75%
Interest earned and other revenues	8,382	13,452	-37.69%
<b>Total revenues</b>	<b>599,719</b>	<b>341,631</b>	<b>75.55%</b>
Expenses:			
Operating	313,473	305,038	2.77%
<b>Total expenses</b>	<b>313,473</b>	<b>305,038</b>	<b>2.77%</b>
<b>Change in net assets</b>	<b>\$ 286,246</b>	<b>\$ 36,593</b>	<b>682.24%</b>

## **CAPITAL ASSETS**

At December 31, 2005 and 2004, the District had \$1,433,872 and \$1,335,760, respectively, invested in a broad range of capital assets, including land, buildings, vehicles, and equipment. During the year, the District contributed \$9,425 to the Town of Livonia and \$12,000 to the Town of Fordoche for upgrades to water supply lines to assist the District in providing fire protection within each Town's limits.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. If you have questions about this report or need additional financial information, contact Glen Ray Meche, Chairman of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana at (225) 637-3452.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF NET ASSETS  
December 31, 2005**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 115,721
Receivables -	
Ad valorem	320,130
Sales	12,045
State revenue sharing	2,608
Capital assets, net of accumulated depreciation:	
Land	20,500
Buildings	407,196
Firefighting equipment and tools	248,108
Fire hydrants and water supply lines	65,369
Radios and paging equipment	255,019
Vehicles	430,891
Medical equipment	0
Furniture, fixtures, and equipment	6,789
<b>Total Assets</b>	<b>1,884,376</b>
<b>LIABILITIES</b>	
Accounts payable	10,226
Amount due retirement system	13,573
Due to other governmental units	258
Noncurrent liabilities:	
Due within one year	60,146
Due in more than one year	105,727
<b>Total Liabilities</b>	<b>189,930</b>
<b>NET ASSETS</b>	
Invested in capital assets	1,267,999
Unrestricted	426,447
<b>Total Net Assets</b>	<b>\$ 1,694,446</b>

The accompanying notes are an integral part of this statement.



**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2005**

	Expenses	Program Revenues		Net Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Public safety	\$ 313,473	\$ 0	\$ 0	\$ (108,684)
Total Governmental Activities	<u>\$ 313,473</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(108,684)</u>

**General Revenues:**

Taxes:	
Property tax, levied for fire protection	309,891
Sales	47,588
General intergovernmental revenues	29,069
Other	4,326
Interest earnings	4,056
Total General Revenues	<u>394,930</u>
Change in Net Assets	286,246
Net Assets at Beginning of Year	1,408,200
Net Assets at End of Year	<u>\$ 1,694,446</u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2005**

	General Fund
<b>ASSETS</b>	
Cash	\$ 115,721
Receivables -	
Ad valorem	320,130
Sales	12,045
State revenue sharing	2,608
	<hr/>
Total Assets	\$ 450,504
 <b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	\$ 10,226
Amount due retirement system	13,573
Due to other governmental units -	
Fire District No. 2 of Pointe Coupee	258
	<hr/>
Total Liabilities	24,057
	<hr/>
Fund Balances:	
Unrestricted	426,447
	<hr/>
Total Fund Balances	426,447
	<hr/>
Total Liabilities and Fund Balances	\$ 450,504
	<hr/>

**Reconciliation of the Statement of Net Assets of Governmental Funds to the Balance Sheet:**

Amounts reported for governmental activities in the statement of net assets  
are different because:

Total fund balance per balance sheet	\$ 426,447
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,433,872
Long-term liabilities of governmental funds, including capital leases and notes payable are not due and payable in the current period and, therefore, are not reported in the funds.	(165,873)
	<hr/>
Net assets of governmental activities	\$ 1,694,446
	<hr/>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2005**

	General Fund
<b>Revenues</b>	
Taxes -	
Ad valorem	\$ 309,891
Sales	47,588
Intergovernmental revenues -	
FEMA	204,789
Forestry grant	9,854
State fire insurance rebate	11,393
State revenue sharing	7,822
Miscellaneous revenues -	
Other	4,326
Interest earned	4,056
<b>Total Revenues</b>	<b>599,719</b>
<b>Expenditures</b>	
Current operations -	
Administrative labor	3,600
Professional fees	2,600
Tax collector fees	13,573
Election expense	4,441
Contribution to volunteers	4,000
Vehicle maintenance	19,122
Firefighting equipment maintenance	8,592
Radios and pagers maintenance	2,839
Building maintenance	14,217
Uniforms and protective gear	2,761
Medical supplies	1,768
Utilities	7,200
Telephone	3,640
Insurance	32,427
Training and fire prevention	15,367
Supplies, postage and printing	2,779
All others	1,197
Capital outlays -	
Furniture, fixtures, and equipment	4,346
Radios and paging equipment	49,400
Fire fighting equipment and tools	167,877
Vehicles and equipment	15,200
Fire hydrants and water supply lines	21,425
Debt service -	
Principal retirement	90,221
Interest expense	13,214
<b>Total Expenditures</b>	<b>501,806</b>
<b>Excess of Revenues (Expenditures)</b>	<b>97,913</b>
<b>Fund Balance - beginning of year</b>	<b>328,534</b>
<b>Fund Balance - End of Year</b>	<b>\$ 426,447</b>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2005**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities:**

**Amounts reported for governmental activities in the statement of activities  
are different because:**

Net change in fund balance - total governmental funds	\$ 97,913
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This the amount by which capital outlays (\$258,248) exceeded depreciation (\$160,136) in the current period.	98,112
Repayment of debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the Statement of Net Assets	90,221
Change in net assets of governmental activities	<u>\$ 286,246</u>

The accompanying notes are an integral part of this statement.

## FIRE PROTECTION DISTRICT NO. 4 OF THE PARISH OF POINTE COUPEE, LOUISIANA NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 - INTRODUCTION

The Fire Protection District No. 4 of the Parish of Pointe Coupee (the "District") was created by a resolution of the Pointe Coupee Parish Police Jury in 1981. The District operates under a commission form of government and provides fire protection services to all the territory situated within the limits of Pointe Coupee Election Districts 10 and 11, as said Election Districts were constituted in 1981, be and the same was created in accordance with the authority of LRS 40:1494, and Article VI, Section 19 of the Constitution of the State of Louisiana for the year 1974 and other constitutional and statutory authority supplemental thereto and Local Services Agreements entered into by this Police Jury, the Mayor and Board of Aldermen of the Town of Livonia, Louisiana, and the Mayor and Board of Aldermen of the Town of Fardoche, Louisiana.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

As stated previously, the District was created by a resolution of the Pointe Coupee Parish Police Jury in 1981 and is body politic and corporate and a political subdivision of the Pointe Coupee Parish Police Jury.

In accordance with LRS 40:1494, the District is managed by a board of five commissioners. Two commissioners are appointed by the Pointe Coupee Parish Police Jury, one appointed by the Town of Livonia, and one appointed by the Town of Fardoche. These four commissioners then appoint the fifth to act as chairperson.

In accordance with the requirements of Statement No. 14, The Financial Reporting Entity, of the Governmental Accounting Standards Board (GASB), the financial statements must present the District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

#### Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The previous reporting model emphasized fund types (the total of all funds of a particular type), in the new reporting model as defined by GASB Statement No. 34 the focus is either the District as a whole or major individual funds (within the fund financial statements).

The government-wide statements of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. Program revenues include [1] charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, [2] grants and contributions that are restricted to meeting the operational requirements of a particular function or activity and [3] grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, intergovernmental revenues, interest income, etc.).

Separate fund based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund and capital projects fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the

## FIRE PROTECTION DISTRICT NO. 4 OF THE PARISH OF POINTE COUPEE, LOUISIANA NOTES TO THE FINANCIAL STATEMENTS

governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor funds are detailed in the combining section of the statements.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

### Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues availability period is generally considered to be one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

Ad valorem tax revenues in the General Fund are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is immaterial. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The following major fund is used by the District in its governmental funds:

- General Fund accounts for the District's primary public safety service and is the primary operating unit of the District.

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Assets.

### Assets, Liabilities, and Equity

#### Cash and Investments

Cash and cash equivalents include demand deposits and money market accounts. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with a bank organized under Louisiana law, or of any other state of the United States, or under the laws of the United States.

State statutes authorize the District to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

Cash deposits are reported at carrying amount which reasonably estimates fair value.

**Receivables**

Receivables consist of all revenues earned at year-end and not yet received.

**Inventories**

Inventories for supplies are immaterial and are recorded as expenses when purchased.

**Capital Assets, Depreciation, and Amortization**

The District's property and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The District generally capitalizes assets with cost of \$500 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Uniforms and protective gear which are susceptible to excessive wear and tear and fire code regulations are expense when incurred.

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Capital assets are depreciated using the straight-line method over the estimated useful lives, in years, for depreciable assets as follows:

Building	40 Years
Vehicles	15 Years
Firefighting equipment and tools	10 Years
Radios and paging equipment	10 Years
Fire hydrants and water supply lines	25 Years
Furniture, fixtures, and office equipment	5 & 12 Years

**Long-Term Liabilities**

In the government-wide financial statements long-term debt is reported as liabilities in the applicable governmental activities statement of net assets.

In the governmental funds financial statements, the face amount of debt is reported as other financing sources. Interest and principal payments are reported as debt service expenditures.

**Fund Equity Classifications**

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt." Management has approved the following designations by management:

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Budgetary Information**

**Policy and Practice**

The Chairman submits an annual budget for the General Fund by Fire Station to the Board in accordance with the Louisiana Local Government Budget Act. The budget is presented to the Board for review, and public hearings are held to address the proposed appropriations. Once approved and adopted by the Board, the Board may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

**Basis of Budgeting**

The General Fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by function. Budget revisions at this level are subject to final review by the Board. The legal level of control is by function within the General Fund. Expenditures may not exceed appropriations at this level. Revisions to the budget were made throughout the year.

The General Fund budget is prepared on the modified accrual basis. The budget and actual financial statement is reported on this basis. Unencumbered appropriations for annually budgeted funds lapse at fiscal year end.

**NOTE 3 - CASH AND INVESTMENTS**

At December 31, 2005, the status of deposited funds and collateralized balances are as follows:

Demand deposits	\$ 126,288
Secured by federal deposit insurance	<u>126,288</u>
Unsecured/uncollateralized	<u>\$ 0</u>

Cash and investments are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.



**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4 - CAPITAL ASSETS**

A summary of changes in general fixed assets follows:

	1-1-2005	Increases	Decreases	12-31-2005
<b>Capital Assets not being depreciated:</b>				
Land	\$ 20,500			\$ 20,500
<b>Other capital assets:</b>				
Buildings	501,554			501,554
Vehicles	1,071,178	\$ 15,200		1,086,378
Fire fighting equipment and tools	301,859	167,877		469,736
Radios and paging equipment	375,680	49,400		425,080
Medical equipment	34,393			34,393
Furniture, fixtures, and equipment	34,843	4,346		39,189
Fire hydrants & water supply lines	76,490	21,425		97,915
<b>Total other capital assets at historical cost</b>	<b>2,395,997</b>	<b>258,248</b>		<b>2,654,245</b>
<b>Less: Accumulated depreciation for -</b>				
Buildings	(81,790)	(12,568)		(94,358)
Vehicles	(595,651)	(59,836)		(655,487)
Fire fighting equipment and tools	(183,426)	(38,199)		(221,626)
Radios and paging equipment	(131,688)	(38,373)		(170,061)
Medical equipment	(33,167)	(1,226)		(34,393)
Furniture, fixtures, and equipment	(29,664)	(2,535)		(32,400)
Fire hydrants & water supply line	(25,147)	(7,399)		(32,546)
<b>Total accumulated depreciation</b>	<b>(1,080,737)</b>	<b>(160,136)</b>		<b>(1,240,873)</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 1,335,760</b>	<b>\$ 98,112</b>		<b>\$ 1,433,872</b>

**NOTE 5 - LONG-TERM DEBT**

The following is a summary of changes in governmental activities long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2005:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
<b>Capital lease obligations:</b>					
Wells Fargo Bank	\$ 54,598		\$ (26,450)	\$ 28,148	\$ 28,148
Federal Signal Leasing	168,231		(30,506)	137,725	31,998
<b>Total</b>	<b>222,829</b>	<b>0</b>	<b>(56,956)</b>	<b>165,873</b>	<b>60,146</b>
<b>Notes payable:</b>					
Peoples Bank	33,265		(33,265)	0	0
<b>Total</b>	<b>33,265</b>	<b>0</b>	<b>(33,265)</b>	<b>0</b>	<b>0</b>
<b>Total Governmental Activities</b>	<b>\$ 256,094</b>	<b>\$ 0</b>	<b>\$ (90,221)</b>	<b>\$ 165,873</b>	<b>\$ 60,146</b>

The debt outstanding at December 31, 2005 is as follows:

**Wells Fargo Bank -**

On May 1, 1999, the District entered into a capital lease for the purchase of a fire truck in the amount of \$171,764.16 which matures on May 1, 2006. Annual installments of \$29,337.31 which includes interest at the rate of 5.29%

\$ 28,148

**Federal Signal Leasing -**

On July 29, 2002, the District entered into a capital lease for the purchase of a fire truck in the amount of \$225,020.00 which matures on July 29, 2009. Annual installments of \$38,733.03 which includes interest at the rate of 4.89%

137,725

\$ 256,094

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

The annual debt service including interest of \$18,696 is as follows:

Year	Wells Fargo	Federal Signal Leasing	Total
2006	\$ 28,148	\$ 31,998	\$ 60,146
2007		33,563	33,563
2008		35,204	35,204
2009		36,960	36,960
	<u>\$ 28,148</u>	<u>\$ 137,725</u>	<u>\$ 165,873</u>

**NOTE 6 - AD VALOREM TAXES**

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to be assessed at 10% of "use" value; and all other property is to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax District. The assessor is required to re-appraise all property very four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Parish. By agreement, the Sheriff receives a commission of approximately 4.24%.

The millage rates are adopted in late October. The taxes are levied and notices are mailed out in mid November of the year. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If taxes are not paid by the due date of December 31, the taxes bear interest at one and one-fourth percent (1.25%) per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are usually collected in November and December of the year. Any amounts not collected at December 31 are shown as accounts receivable.

For the year ended December 31, 2005, taxes of \$320,129.60 were levied on property with assessed valuations totaling \$37,948,745 at the rate of 10.91 mills for the purpose of maintaining and operating the District's fire protection facilities, for purchasing fire trucks and other fire fighting equipment and paying the cost of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service and for the purpose of paying the cost of acquiring, improving, or constructing fire protection facilities of the Fire Protection District, constituting works of public improvement, title to which shall be in the public.

**NOTE 7 - PENSION PLAN AND RETIREMENT COMMITMENTS**

The District has no employees; therefore, it has no pension plan or retirement commitments

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 - RISK RETENTION**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee medical insurance; and natural disasters. The District carries commercial insurance for risks of loss or damage to property, general liability, and medical insurance. There were no significant reductions in insurance coverage in 2005 from coverage in the prior year. Settled claims has not exceeded this commercial coverage in the past three fiscal years.

**NOTE 9 - LITIGATION AND CLAIMS**

There were no judgments, claims or similar contingencies pending against the District at December 31, 2005.

**NOTE 10 - COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Donald Chenevert	\$	0
Fred Gueho		0
Drake LaCombe		0
Charles Landry		0
Glen Ray Meche		0
		<hr/>
	\$	<u>0</u>

**NOTE 11 - FEDERAL FINANCIAL ASSISTANCE**

The District received \$204,789.07 in federal financial assistance during the fiscal year from the U.S. Department of Homeland Security - FEMA.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
<b>Taxes -</b>				
Ad valorem	\$ 296,000	\$ 320,000	\$ 309,891	\$ 10,109
Sales	0	54,000	47,588	6,412
<b>Intergovernmental revenues -</b>				
FEMA	0	200,000	204,789	(4,789)
Forestry grant	0	10,000	9,854	146
State fire insurance rebate	11,000	11,000	11,393	(393)
State revenue sharing	8,000	8,000	7,822	178
<b>Miscellaneous revenues -</b>				
Other	2,000	3,000	4,326	(1,326)
Interest earned	3,000	3,000	4,056	(1,056)
<b>Total Revenues</b>	<b>320,000</b>	<b>609,000</b>	<b>599,719</b>	<b>9,281</b>
<b>Expenditures</b>				
<b>Current operations -</b>				
Administrative labor	3,600	3,600	3,600	0
Professional fees	2,400	2,400	2,600	(200)
Tax collector fees	13,000	13,000	13,573	(573)
Election expense	0	4,500	4,441	59
Contribution to volunteers	4,000	4,000	4,000	0
Vehicle maintenance	20,000	20,000	19,122	878
Firefighting equipment maintenance	10,000	10,000	8,592	1,408
Radios and pagers maintenance	5,000	5,000	2,839	2,161
Building maintenance	15,000	15,000	14,217	783
Uniforms and protective gear	5,000	5,000	2,761	2,239
Medical supplies	2,000	2,000	1,768	232
Utilities	8,000	8,000	7,200	800
Telephone	4,000	4,000	3,640	360
Insurance	30,000	30,000	32,427	(2,427)
Training and fire prevention	15,000	15,000	15,367	(367)
Supplies, postage and printing	3,000	3,000	2,779	221
All others	1,000	1,000	1,197	(197)
<b>Capital outlays -</b>				
Furniture, fixtures, and equipment	0	4,000	4,346	(346)
Radios and paging equipment	0	50,000	49,400	600
Fire fighting equipment and tools	0	170,000	167,877	2,123
Vehicles and equipment	0	15,000	15,200	(200)
Fire hydrants and water supply lines	21,425	21,425	21,425	0
<b>Debt service -</b>				
Principal retirement	90,221	90,221	90,221	0
Interest expense	13,214	13,214	13,214	0
<b>Total Expenditures</b>	<b>265,860</b>	<b>509,360</b>	<b>501,806</b>	<b>7,554</b>
<b>Excess of Revenues (Expenditures)</b>	<b>54,140</b>	<b>99,640</b>	<b>97,913</b>	<b>(1,727)</b>
<b>Fund Balances, Beginning of Year</b>	<b>300,000</b>	<b>328,534</b>	<b>328,534</b>	<b>0</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 354,140</b>	<b>\$ 428,174</b>	<b>\$ 426,447</b>	<b>\$ (1,727)</b>

FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE  
LIVONIA & FORDOCHE, LOUISIANA  
TAXABLE PROPERTY VALUATIONS  
SINCE INCEPTION  
(UNAUDITED)

Year	Mills Levied	Assessed Value	Homestead Exemption	Tax to be Paid by Owner	Tax to be Paid by State	Total Tax
1982	3.00	\$ 22,435,266	\$ 3,845,101	\$ 55,772	\$ 11,537	\$ 67,309
1983	3.00	24,265,476	3,965,946	60,900	11,900	72,800
1984	3.00	23,989,111	4,072,574	59,251	12,220	71,971
1985	3.00	26,956,547	4,181,788	68,326	12,547	80,873
1986	3.34	24,942,091	4,374,197	68,696	14,609	83,305
1987	3.34	25,357,580	4,397,197	70,007	14,686	84,693
1988	3.60	24,155,783	4,203,073	71,830	15,131	86,961
1989	3.60	24,489,906	4,307,573	72,656	15,507	88,164
1990	3.60	23,671,216	4,393,027	69,402	15,815	85,216
1991	3.60	24,546,980	4,468,982	72,281	16,088	88,369
1992	10.72	24,416,469	4,618,835	212,230	49,514	261,744
1993	10.31	24,753,536	4,753,918	206,197	49,015	255,212
1994	10.31	24,879,333	4,876,381	206,231	50,278	256,509
1995	10.31	26,360,828	5,026,631	219,957	51,827	271,783
1996	10.10	27,597,811	5,647,378	221,701	57,041	278,743
1997	10.10	28,848,919	5,882,582	231,962	59,417	291,379
1998	10.91	27,430,758	6,162,933	232,033	67,239	299,273
1999	10.91	29,060,127	6,379,115	247,451	69,598	317,050
2000	10.91	29,529,102	7,089,964	244,813	77,354	322,166
2001	10.91	30,439,289	7,328,324	252,142	79,954	332,096
2002	10.91	23,034,553	7,537,944	251,309	82,241	333,550
2003	10.91	23,800,929	7,731,604	259,670	84,354	344,024
2004	10.91	27,177,135	8,400,680	296,504	91,653	388,157
2005	10.91	29,342,595	8,606,150	320,130	93,895	414,024

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**OTHER REPORTS REQUIRED BY**  
***GOVERNMENT AUDITING STANDARDS***

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by Government Auditing Standards, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

*George F. Delaune*

CERTIFIED PUBLIC ACCOUNTANT

(A Professional Corporation)

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OFFICERS ASSOCIATION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Board of Commissioners  
Fire Protection District No. 4 of the  
Parish of Pointe Coupee  
Livonia & Fordoche, Louisiana**

I have audited the basic financial statements of the FIRE PROTECTION DISTRICT NO. 4 OF THE PARISH OF POINTE COUPEE, LOUISIANA (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2005, and have issued my report thereon dated June 29, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results



of my tests disclosed no instances of noncompliance or other matters that is required to be reported under Government Auditing Standards.

This report is intended for the information and use of the District and its management, the Police Jury of the Parish of Pointe Coupee, New Roads, Louisiana (oversight entity), and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, by provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

*George F. Delaune, CPA*

June 29, 2006

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
SCHEDULE OF FINDINGS  
YEAR ENDED DECEMBER 31, 2005**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana.
2. No instances of noncompliance were disclosed during the audit of the basic financial statements.
3. No reportable conditions were disclosed during the audit of the basic financial statements.
4. The District expended \$204,789.07 in federal awards during the year.

**B. FINDINGS--FINANCIAL STATEMENTS AUDIT**

None

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
RESOLUTION OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2005**

**2004-1 Errors in Accounting (Reportable Material Weakness)**

**Statement of Condition**

During the audit, it was necessary to propose 26 audit adjustments and 36 reclassifications for management to accept before the financial statements were acceptable to conduct the audit. The majority of these entries were to correct the following:

1. Acquisition of capital assets purchased in excess of \$500 in the amount of \$25,414.28 were coded as operating expenses instead of capital outlays.
2. Annual payments on outstanding debt in the amount of \$64,178.62 were coded as capital outlays instead of debt service.
3. Revenues received for ad valorem taxes and revenue sharing in the amount of \$213,926.96 were recorded as receivables instead on revenues.

**Corrective Action Taken**

Controls were improved and only 6 reclassifications were made to the financial statements.